

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL****FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

0 2 — 0 0 2

2. STATE:

New Mexico

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL  
SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

JUNE 1, 2002

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

7. FEDERAL BUDGET IMPACT:

a. FFY 2002 \$ -0-b. FFY 2003 \$ -0-

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B, page 5

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable):

(same as #8)

10. SUBJECT OF AMENDMENT:

Dispensing fee paid to retail pharmacies.

11. GOVERNOR'S REVIEW (Check One):

- ☐
- GOVERNOR'S OFFICE REPORTED NO COMMENT
- 
- ☐
- COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
- 
- ☐
- NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Medicaid Director

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Robert T. Maruca

14. TITLE:

Director, Medical Assistance Division

15. DATE SUBMITTED:

May 7, 2002

16. RETURN TO:

Robert T. Maruca, Director  
Medical Assistance Division  
P.O. Box 2348  
Santa Fe, New Mexico 87504-2348**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

17 MAY 2002

18. DATE APPROVED:

5 AUGUST 2002

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

1 JUNE 2002

20. SIGNATURE OF REGIONAL OFFICIAL:



21. TYPED NAME:

CALVIN G. CLINE

22. TITLE: ASSOCIATE REGIONAL ADMINISTRATOR  
DIV OF MEDICAID AND STATE OPERATIONS

23. REMARKS:

SUPERSEDES TN- NM 98-01

Attachment 4.19-B  
Page 5

STATE <u>New Mexico</u>	A
DATE REC'D <u>5-17-02</u>	
DATE APP'D <u>8-5-02</u>	
DATE EFF <u>6-1-02</u>	
HCFA 179 <u>NM 02-02</u>	

2. Discounts for paying cash. If any patient group gets discounts for paying cash, those discounts must be reflected in the usual and customary charge.
3. Medicaid is to be given the advantage of discounts, which the general public receives.

- c. Prescription Refills-There are limitations on the frequency for which it will reimburse the same pharmacy for dispensing the same drug to the same recipient. The limitation is established individually for each drug. Most drugs are subject to a maximum of three (3) times in ninety (90) days with an additional 20 days to account for necessary early refills, etc. Controlled drugs and certain other drugs may require more flexibility due to their specific indication, dosage form, or packaging and are subject to limitations as may be appropriate.

Refills must be consistent with the dosage schedule prescribed and all existing federal and state laws.

The maximum, which may be dispensed at one time, is a thirty four (34) day supply, except for oral contraceptives, which may be dispensed in greater quantities if the proper agent for the patient is established.

- d. Dispensing Fee-There is a dispensing fee for retail pharmacies that is set to \$3.65. This fee may not be applicable to physicians, institutions, clinics, and non-profit facilities. The Department establishes the dispensing fee by taking into account the costs of pharmacy operation. The department will periodically survey pharmacy operations including operational data, professional services data, overhead data, and profit data.

- e. Reimbursement Limitations

1. Payment will not be made for drug items for which the manufacturer has not entered into a rebate agreement with the federal government except as specified in the provisions of sections 1902 (a)(54) and 1927 of the Social Security Act.
2. Payment will not be made to physicians for oral medication or medications, which can be appropriately self-administered by the recipient. Payment to physicians for drugs will be limited to injectable medications administered by the physician or under his direction in conformance with the New Mexico Medicaid Utilization Review.